

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7392

BILL NUMBER: HB 1795

NOTE PREPARED: Jan 18, 2003

BILL AMENDED:

SUBJECT: Methamphetamines.

FIRST AUTHOR: Rep. Chowning

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

X

IMPACT: State & Local

Summary of Legislation: This bill classifies ephedrine, pseudoephedrine, and phenylpropanolamine as legend drugs.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Medicaid:* The Office of Medicaid Policy and Planning reports that ephedrine is not commonly included in any over-the-counter (OTC) products, products containing phenylpropanolamine have been removed from the market, and while pseudoephedrine tablets and liquid products for coughs and colds are available on the Indiana Medicaid OTC drug formulary, no significant fiscal impact would be associated with a change of the products to legend drug status. All Medicaid covered OTC drugs already require a prescription from a prescribing practitioner in order to qualify for Medicaid reimbursement.

State Employee Health Insurance: This bill will result in higher premiums for the state employee health insurance plans. The change of these drugs to legend status requires: (1) that an individual receive a prescription from a physician, and (2) insurers to pay for these prescriptions. Currently, these drugs are OTC and are not covered under the state employee health plan. The State Personnel Office has polled the state employee health plan insurers regarding the premium increase. However, data is not yet available. This note will be updated once insurer responses are received.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures* regarding employer-provided health insurance.

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected: All that provide coverage for prescription drugs

Information Sources: Family and Social Services Administration, Office of Medicaid Policy and Planning.

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